

AMENDED IN ASSEMBLY AUGUST 15, 2011

AMENDED IN ASSEMBLY JUNE 28, 2011

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SENATE BILL

No. 939

Introduced by Senator Wright

March 21, 2011

An act to amend Sections 890, 892, 892.2, 893, ~~and 894~~ 894, and 895 of, and to repeal Section 892.1 of, the Public Utilities Code, relating to the natural gas surcharge.

LEGISLATIVE COUNSEL'S DIGEST

SB 939, as amended, Wright. Natural gas surcharge.

Existing law requires the Public Utilities Commission to establish a surcharge on all natural gas consumed in the state to fund certain low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development. Existing law requires a public utility gas corporation, as defined, to collect the surcharge from natural gas consumers, as specified, and to remit the moneys collected to the State Board of Equalization (state board) on a quarterly basis. Existing law requires persons consuming natural gas delivered by an interstate pipeline to pay the surcharge to the state board. Existing law requires every public utility gas corporation and every person consuming natural gas transported by a provider other than the public utility gas corporation to file a quarterly return with the state board in the form prescribed by the state board. The money from the surcharge is transmitted by the state board to the Treasurer for deposit in the Gas Consumption Surcharge Fund and is continuously appropriated to specified entities, including to the commission, or to

an entity designated by the commission, to fund low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development not adequately provided by the competitive and regulated markets.

This bill would require the commission to establish ~~rate adjustments~~ *rates that are sufficient* to fund the specified low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development, and would require the surcharges imposed on natural gas customers *of an interstate gas pipeline* to be equal to ~~those rate adjustments~~ *the rate component imposed upon the customers of a public utility gas corporation to fund those programs*. The bill would require only persons consuming natural gas delivered by an interstate pipeline to pay the surcharge quarterly to the state board and require only those persons consuming natural gas transported by a provider other than the public utility gas corporation to file a quarterly return with the state board. A public utility gas corporation would continue to collect the surcharge to fund the specified programs, but would not remit the moneys collected to the state board. The bill would repeal existing provisions relieving public utility gas corporations from liability to collect the surcharges for specified uncollected and worthless accounts. The bill would make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 890 of the Public Utilities Code is
- 2 amended to read:
- 3 890. (a) The commission shall establish ~~rate adjustments~~ *rates*
- 4 *that are sufficient* to fund low-income assistance programs required
- 5 by Sections 739.1, 739.2, and 2790 and cost-effective energy
- 6 efficiency and conservation activities and public interest research
- 7 and development authorized by Section 740 and not adequately
- 8 provided by the competitive and regulated markets.
- 9 (b) Except as specified in Section 898, a public utility gas
- 10 corporation, as defined in subdivision (b) of Section 891, shall
- 11 collect the ~~rate adjustments~~ *rates* imposed pursuant to subdivision
- 12 (a) from any person consuming natural gas in this state who
- 13 receives gas service from the public utility gas corporation.

(c) Except as specified in Section 898, all persons consuming natural gas in this state that has been transported by an interstate pipeline, as defined in subdivision (c) of Section 891, shall be liable for a surcharge equal to the rate ~~adjustment imposed component imposed to fund low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development~~ pursuant to subdivision (a).

(d) The commission shall annually determine the amount of money required for the following year to administer this chapter and fund the natural gas related programs described in subdivision (a) for the service territory of each public utility gas corporation.

(e) The commission shall annually establish a rate for each class of customer for the service territory of each public utility gas corporation. A customer of an interstate gas pipeline, as defined in subdivision (c) of Section 891, shall pay a surcharge that is equal to the same rate as the customer would pay if the customer received service from the public utility gas corporation in whose service territory the customer is located *or, if the customer is not located within the service territory of a public utility gas corporation, the applicable surcharge of the public utility gas corporation with the service territory nearest the customer.* The commission shall determine the total volume of retail natural gas transported within the service territory of a utility gas provider, that is not subject to exemption pursuant to Section 896, for the purpose of establishing the surcharge rate.

(f) The commission shall allocate the appropriate rate adjustment and surcharge for gas used by all customers, including those customers who were not subject to the surcharge prior to January 1, 2012.

(g) The commission shall notify the State Board of Equalization of the surcharge for each class of customer served by an interstate pipeline in the service territory of a public utility gas corporation.

(h) The State Board of Equalization shall notify each person who consumes natural gas delivered by an interstate pipeline of the surcharge for each class of customer within the service territory of a public utility gas corporation.

(i) Public utility gas corporations shall continue to collect in rates those costs of programs described in subdivision (a) that are uncollected prior to the operative date of this article.

1 SEC. 2. Section 892 of the Public Utilities Code is amended
2 to read:

3 892. Persons consuming natural gas delivered by an interstate
4 pipeline shall pay the surcharge quarterly to the State Board of
5 Equalization in the form of remittances. The board shall transmit
6 the payments to the Treasurer who shall deposit the payments in
7 the Gas Consumption Surcharge Fund, which is hereby created in
8 the State Treasury.

9 SEC. 3. Section 892.1 of the Public Utilities Code is repealed.

10 SEC. 4. Section 892.2 of the Public Utilities Code is amended
11 to read:

12 892.2. On or before the last day of the month following each
13 calendar quarter, a return for the preceding quarterly period shall
14 be filed with the State Board of Equalization, in such form as the
15 board may prescribe. A return shall be filed by every person
16 consuming, as defined in this article, natural gas transported by a
17 provider other than the public utility gas corporation. The return
18 shall be signed by the person required to file the return or by his
19 or her duly authorized agent.

20 SEC. 5. Section 893 of the Public Utilities Code is amended
21 to read:

22 893. The State Board of Equalization shall administer the
23 surcharge imposed pursuant to this article that is remitted to it in
24 accordance with the Fee Collection Procedures Law (Part 30
25 (commencing with Section 55001) of Division 2 of the Revenue
26 and Taxation Code.

27 SEC. 6. Section 894 of the Public Utilities Code is amended
28 to read:

29 894. The State Board of Equalization may collect any unpaid
30 surcharge imposed pursuant to this article that is to be remitted to
31 it pursuant to Section 892.2.

32 *SEC. 7. Section 895 of the Public Utilities Code is amended*
33 *to read:*

34 895. Notwithstanding Section 13340 of the Government Code,
35 moneys in the Gas Consumption Surcharge Fund are continuously
36 appropriated, without regard to fiscal years, as follows:

37 (a) To the commission or an entity designated by the commission
38 to fund programs described in subdivision (a) of Section 890. If
39 the commission designates the ~~State Energy Resources~~
40 ~~Conservation and Development~~ Commission to receive funds for

1 public interest research and development, both of the following
2 ~~shall apply: the Energy Commission may administer the program~~
3 ~~pursuant to Chapter 7.1 (commencing with Section 25620) of~~
4 ~~Division 15 of the Public Resources Code.~~

5 ~~(1) The Controller shall transfer funds to a separate subaccount~~
6 ~~within the Public Interest Research, Development, and~~
7 ~~Demonstration Fund to pay the State Energy Resources~~
8 ~~Conservation and Development Commission for its costs in~~
9 ~~carrying out its duties and responsibilities under this article.~~

10 ~~(2) The State Energy Resources Conservation and Development~~
11 ~~Commission may administer the program pursuant to Chapter 7.1~~
12 ~~(commencing with Section 25620) of Division 15 of the Public~~
13 ~~Resources Code.~~

14 ~~(b) To pay the commission for its costs in carrying out its duties~~
15 ~~and responsibilities under this article.~~

16 ~~(c) To pay the State Board of Equalization for its costs in~~
17 ~~administering this article.~~